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January 24, 2002

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

Re: Notice of Ex Parte Presentation, Application by Verizon-New England, Inc. for
Authorization to Provide In-Region, InterLATA Services in Rhode Island
CC Docket 01-324

Dear Ms. Salas,

On Wednesday, January 23, 2002, David Lawson and the undersigned, both representing AT&T, met with Rich Lerner, Associate Chief of the Common Carrier Bureau, and Carol Canteen, Raj Kannan, Rhonda Lien, Julie Saulnier, Deena Shetler and Josh Swift of the Common Carrier Bureau's Competitive Pricing Division. Participating by conference call were Larry Lafaro, Michael Lieberman and Richard Rubin, also representing AT&T.

Consistent with its comments filed in this proceeding, AT&T reiterated its arguments that Verizon's UNE rates in Rhode Island are not TELRIC-compliant and reviewed Leiberman Exhibits 1 through 11 of AT&T's comments. In addition, we discussed the New York Public Service Commission's January 23, 2002 UNE rate decision and its impact on Verizon's benchmark analysis. AT&T also presented a slightly revised margin analysis demonstrating Verizon's price squeeze in Rhode Island. The attached was distributed during the meeting and served as the basis of this discussion.

Pursuant to the Commission's November 26, 2001 Public Notice (DA 01-2746), this submission does not count toward AT&T's ex parte page limit. One electronic copy of this Notice is being submitted to the Secretary of the FCC in accordance with the Commission's rules.

Sincerely,

Attachment

cc:	Rich Lerner	Deena Shetler
	Carol Canteen	Josh Swift
	Raj Kannan	Julie Veach
	Rhonda Lien	Steve Frias (RPUC)
	Gary Remondino	Kelly Trainor (DOJ)
	Julie Saulnier	Ann Berkowitz (Verizon)

Connectivity Margin for Verizon Rhode Island

COSTS	Statewide Average	Zone 1	Zone 2	Zone 3
Zone weights		41%	47%	12%
Loop	\$14.14	\$11.19	\$15.44	\$19.13
Port	\$4.15	\$4.15	\$4.15	\$4.15
Usage	\$7.90	\$7.90	\$7.90	\$7.90
DUF	\$1.20	\$1.20	\$1.20	\$1.20
Platform - Recurring Cost	\$27.39	\$24.44	\$28.69	\$32.38
NRC	\$0.00	\$0.00	\$0.00	\$0.00
Total Platform (w/NRC)	\$27.39	\$24.44	\$28.69	\$32.38

REVENUES RES @ VZ RI

Basic Local Svc

Zone 1	\$	17.26	41%
Zone 2	\$	15.65	47%
Zone 3	\$	13.89	12%
Basic Local Svc -Statewide	\$	16.10	

Other Revenue Sources

Features		\$3.57
Subscriber Line Charge	\$	5.00
Access	\$	2.03

Total Revenue

Zone 1	\$	27.86
Zone 2	\$	26.25
Zone 3	\$	24.49
Total Revenue -Statewide	\$	26.70

MARGINS RES @ VZ RI Level %

Zone 1	\$	3.42	12%
Zone 2	\$	(2.44)	-9%
Zone 3	\$	(7.89)	-32%
Residence Statewide	\$	(0.69)	-3%
Connectivity margin			